

**THE CENTRAL PROVINCES
RAILWAYS COMPANY, LIMITED**

**102nd
ANNUAL REPORT
AND
ACCOUNTS 2011-12**

THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED

DIRECTORS:

Shri Praksh F. Nagori
Shri A. K. Gupta
Shri. Rajeev Kumar Agarwalla
Smt. Sushma Pande

•

BANKERS:

Allahabad Bank

•

AUDITORS:

M/s. Bhangaria & Co.,
Chartered Accountants

•

REGISTERED OFFICE:

Basement, Commercial Union House,
No.9, Wallace Street, Fort, Mumbai - 400 001

NOTICE

NOTICE is hereby given that the 102nd Annual General Meeting of the members of **THE CENTRAL PROVINCES RAILWAYS COMPANY LIMITED** will be held on Thursday, the 27th September, 2012, at 9.30 a.m. at Conference Hall, KEL House, Plot No.7, Opp. Oberoi Garden Estates, Chandivali Farm Road, Chandivali, Andheri (E), Mumbai - 400 072. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2012 and Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A. K. Gupta, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution :

“RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act 1956 Mr. Santosh B. Jajoo & Co., (Firm Registration No.125915W) Chartered Accountants, B-108 Gautam Nagar, Bldg no. 4, Holy Cross School, Bhayander (W) Thane 401 101, be and are hereby appointed as the Auditors of the company in place of M/s. Bhangaria & Co., (Firm Registration No. 129105W), who have tendered their resignation from the office of the Auditors of the Company, to hold such office until the conclusion of the next AGM at a remuneration of as may be mutually agreed plus out of pocket expenses.”

Registered Office :

Basement, Commercial Union House,
9, Wallace Street, Fort,
Mumbai – 400 001
Dated : August 21, 2012

By Order of the Board of Directors
For THE CENTRAL PROVINCES RAILWAYS COMPANY LTD.

DIRECTOR

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not later than 48 HOURS before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 24th September 2012 to Thursday the 27th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
4. The Companies (Amendment) Act 1999 has introduced through Section 109 A, the facility of nomination to shareholders. Such facility is mainly useful for the investors holding the shares in single name. They are advised to avail this facility to avoid process of transmission by law. Investors holding shares in physical form may send the nomination form duly filled in and signed to the Company's Registrar and Transfer Agents (Prescribed form 2B). However, if shares are held in dematerialised form, the nomination has to be submitted to the depository participant of the National Securities Depository Ltd./Central Depository Services (India) Ltd. as the case may be as per format prescribed by them.
5. Members are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents viz., Bigshare Services Pvt. Ltd., E2 &3, Ansa Industrial Estate, Saki-vihar Road, Saki Naka, Andheri (E), Mumbai - 400 072. Tele.:91-22-2847 0652 / 40430200 / 28470653. Fax : 91-22-2847 5207. E-mail : investor@bigshareonline.com.

Our RTA, Bigshare Services Private Limited recently launched Gen-Next Investor Interface Module “i’Boss” the most advanced tool to interact with investors. Please login into i’Boss (www.bigshareonline.com) and help them to serve you better.

6. It is observed that despite repeated reminders, many shareholders have still not surrendered their old Share Certificates of the face value of Rs.100/- each for exchange with the new Share Certificates of face value of Rs.10/- each on subdivision. They are once again requested to surrender the old Share Certificates of Rs.100/- each to the Company's Register and Transfer Agent M/s. Bigshare Services Pvt. Ltd.
7. The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd., Mumbai, Sir. P. J. Towers, Dalal Street, Mumbai. The listing fee upto March 2013 has been paid by the Company. The ISIN No. of the Company is : INE631B01020.
8. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (“MCA”), Government of India, through its Circular nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents through electronic mode.

We, therefore, appeal to the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio No. and/or DP Id/Client Id to the dedicated e mail address at knishinnino@killicknixon.com.

THE CENTRAL PROVINCES RAILWAYS COMPANY LIMITED
DIRECTORS' REPORT

The Directors present their Annual Report together with Audited Statement of Accounts for the Financial Year ended 31st March, 2012.

ACCOUNTS

	2011 – 2012	2010 – 2011
	Rupees	Rupees
The Profit/(Loss) for the year before Taxation Amounts to	(1,33,836)	(173,695)
Fringe Benefit Tax	--	--
Net Profit/Loss for the year	(1,33,836)	(173,695)
Balance brought forward from previous year	---	---
Transfer From General Reserve	1,33,836	173,695
Balance carried forward	---	---

INCOME FROM RAILWAYS:

The Central Railway had demanded a sum of Rs.18.72 crores towards repairs, rehabilitation, renewals and replacements of the railway assets. During the year also the dispute remains unresolved.

The Company has disowned the liability on the ground that these liabilities being in the nature of replacement are to be borne by the Central Railway, as per the Contracts. But in spite of disowning the liability by your Company, the Central Railway has adjusted an amount of Rs.1,86,16,135 being the railway earnings of your Company for the period from October, 2002 to 31st March, 2012. Hence, your Company thought it proper and as an abundant caution and not to harm the interest of shareholders of the Company and therefore decided not to include the said Income from railways amounting to Rs.25,17,886.04 in the Accounts for the year ended 31st March, 2012.

DEPOSITORY SYSTEM:

The equity shares of the Company are available for dematerialisation through Depository participants, on both the Depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

DIRECTOR'S RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement pursuant to Section 217(2AA) of the Companies Act, 1956 :

1. That in the preparation of Annual accounts for the year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. That the appropriate accounting policies had been selected and applied consistently, and judgements and estimates have been made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2012 and of the profits of the company for the said year.

3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the accounts have been prepared on a "going concern basis".

PARTICULARS OF EMPLOYEES:

Statement giving particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, is not annexed to this report as no employee was in receipt of the remuneration in excess of the prescribed sum during the year.

STATEMENT UNDER SECTION 217(I)(e) :

Statement pursuant to Section 217(I)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is given below:

- a) The Company has no activities relating to conservation of energy.
- b) i) The Company has made no provision for research and development expenditure.
ii) The Company has no activity relating to technology absorption, adoption and innovation.
- c) The Company has no activity relating to foreign exchange earnings and outgo.

DIRECTORATE :

Mr. A. K. Gupta retires by rotation and, being eligible offers himself for reappointment.

CORPORATE GOVERNANCE

Since the paid up capital of the Company is less than Rs.3 Crores, particulars as mentioned in clause 49 of the Listing Agreement with Stock Exchange, Mumbai, is not required to be given.

AUDITORS

M/s. Bhangaria & Co., who are the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. However they have expressed their unwillingness to continue as Statutory Auditors of the Company. It is proposed to appoint Mr. Santosh B. Jajoo & Co., (Firm Registration No.125915W), Chartered Accountants, B-108 Gautam Nagar, Bldg no. 4, Holy Cross School, Bhayander (W) Thane 401 101, to examine and audit the accounts of the Company for the Financial Year 2012-13.

A certificate has been received from the Auditors to the effect that their appointment, is made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956. The Auditors have advised that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

AUDITORS REMARKS:

Auditors Remarks have been fully explained under para "Income from Railways" of this Report as well as in point No. 1 (I) (c) in Notes to Accounts.

REGISTERED OFFICE:

Basement, Commercial Union House,
No.9, Wallace Street, Fort,
Mumbai - 400 001.

For and on behalf of Board of Directors of
The Central Provinces Railways Co. Ltd.,

PRAKASH F. NAGORI
Director

A. K. GUPTA
Director

Dated : 21st August, 2012

**Report of the Auditors
To the Members of**

The Central Provinces Railways Company Limited

- 1 We have audited the attached Balance Sheet of The Central Provinces Railways Company Limited as at 31st March, 2012 and also Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Audit Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such check of books and records of the company, as we considered appropriate, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable to the company.
- 4 The Company has, as a matter of prudence not recognised income accrued from Railways for the period 1st April 2011 to 31st March 2012 amounting to Rs.25,17,886.04 (Rs.20,76,071.25) on the ground that the same has been adjusted by the Central Railways against capital expenditure of Rs. 2,37,00,000 /- approx. claimed to have been incurred by them. No provision has been made for this liability nor has the assets been recognised in the financial statements on the ground that the company has disowned the entire liability (Refer Note 1).
- 5 Attention is invited to note 1A regarding non provision of interest in respect of interest bearing loan granted to a company. We are unable to express our opinion on the realisability of Rs.20,00,000/- and interest thereon.
- 6 Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of these books;
 - c) The Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet and Profit & Loss account referred to in this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable to this Company;
 - e) On the basis of the written representations received from directors of the company, and taken on record by the Board of Directors, we report that no director is disqualified as on March 31, 2012 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) During the year the company has transferred the balance between many party accounts without any documentary evidence. This, coupled with non-availability of confirmation from the parties for their year-end balances, we are unable to vouch for the correctness of the entries made in these parties accounts and consequently unable to express any opinion about the correctness of the year end balances of these parties.
 - g) We have not been able to verify the Register to be maintained u/s 301 of the Companies Act, 1956 as the same was not furnished to us. Hence we are unable to express any opinion on the same and the various clauses in the annexure to this report.
 - h) We have not been able to verify some of the bank balances with the bank statements, due to unavailability of the bank statements.
- 7 Subject to our remark in para 4, 5 & 6 above, in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss account read together with the notes forming part thereof, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - ii) In so far as it relates to the Profit & Loss Account, of the loss of the Company for the year ended on that date;

AND

 - ii) In case of Cash Flow statement, of the cash flows of the company for the year ended on that date;

For BHANGARIA & Co.

Chartered Accountants

Nikunj G. Bhangaria

Proprietor

M. No. 121369

Place : Mumbai

Date : 21/08/2012

ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN OUR REPORT OF EVEN DATE
of **The Central Provinces Railways Company Limited**
for the year ended on 31st March-2012

- i) (a) No records are available for Fixed Capital expenditure on Railway construction account as shown in Schedule No.3 annexed to Balance Sheet which are in possession and control of the Central Railway.
- (b) Physical verification could not be conducted by the management of Fixed Assets under railway construction account since the assets are in possession and control of the Central Railway and hence discrepancies, if any are not presently ascertainable.
- (c) During the year Company has not disposed of any part of fixed assets.
- ii) The Company did not have inventory at any point of time during the year. Hence Clause 4(ii) of the said order pertaining to inventory is not applicable.
- iii) The Company has not taken/granted any Loan from/to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Hence clause 4(iii) of the said order pertaining to loans is not applicable.
- iv) In our opinion and according to the information and explanations given to us there is adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit we have not observed any continuing failure to correct major weakness in internal control system. We are informed that the nature of Company's business does not involve purchase of inventory and sale of goods.
- v) According to the information and explanations given to us, in our opinion, there were no contract or arrangements needing entry in the register to be maintained under section 301 of the Companies Act, 1956. Hence Clause 4(v) of the said order is not applicable.
- vi) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of section 58A, 58AA or any other relevant provisions of the Act and the Rules framed there under.
- vii) The company did not have any internal audit system.
- viii) According to the information and explanations given to us, the Company was not required to maintain cost records under section 209(1)(d) of the Companies Act, 1956.
- ix) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, sales tax and any other statutory dues with the appropriate authorities.
- x) In our opinion, the accumulated losses of the company were not more than fifty percent of its net worth as at 31st March 2012. The company incurred cash losses during the year ended 31st March 2012 and also in the immediately preceding financial year.
- xi) The Company did not have outstanding debentures or outstanding loans from financial institution or bank during the year. Hence clause 4(xi) of the said Order is not applicable.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence clause 4(xii) of the said Order is not applicable.
- xiii) The Company is not a chit fund /nidhi/mutual benefit fund /society. Hence clause 4(xiii) of the said order is not applicable.
- xiv) In our opinion, and according to the information and explanation given to us, the company did not deal or trade in share, securities, debentures & other investment. Hence Clause 4(xiv) of the said order is not applicable.
- xv) According to the information and explanation given to us, the company has not given guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company had no term loans outstanding at any point of time during the year
- xvii) According to the information & explanation given to us and on an overall examination of balance sheet of the company, we report that during the year the company has not utilized short term funds for long term investment.
- xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Hence Clause 4(xviii) of the said Order is not applicable.
- xix) The Company did not have outstanding debentures at any point of time during the year. Accordingly no securities or charge have been created.
- xx) The company has not raised any money by public issues during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For BHANGARIA & Co.
Chartered Accountants
Nikunj G. Bhangaria
Proprietor
M. No. 121369
Place : Mumbai
Date : 21/08/2012

The Central Provinces Railways Co. Ltd.

Basement Commercial Union House,
9, Wallace Street, Fort, Mumbai-400 001

Balance Sheet as at 31-Mar-2012

In (Rupees)

	Particulars	Note No.	as at 31-Mar-2012		as at 31-Mar-2011	
I.	EQUITY AND LIABILITIES					
	1 Shareholders' Funds			11030160.16		11163996.26
	(a) Share Capital	2	9400000.00		9400000.00	
	(b) Reserves and Surplus	3	1630160.16		1763996.26	
	2 Current Liabilities			879614.00		858593.00
	(a) Short-Term Borrowings	4	827142.00		552210.00	
	(b) Trade Payables	5	52472.00		187329.00	
	(c) Other Current Liabilities	6			96690.00	
	(d) Short-Term Provisions				22364.00	
	Total			12006464.73		12022589.26
II.	ASSETS					
	1 Non-Current Assets			7238104.00		7238104.00
	(a) Fixed Assets	7	7119852.00		7119852.00	
	(i) Tangible Assets		5158370.00		5158370.00	
	(ii) Capital Work-in-Progress		1961482.00		1961482.00	
	(b) Long-Term Loans and Advances	8	118252.00		118252.00	
	2 Current Assets			4768360.73		4784485.26
	(a) Current Investments	9	17207.00		17207.00	
	(b) Cash and Cash Equivalents	10	67108.16		178523.26	
	(c) Short-Term Loans and Advances	11	2000000.00		2000000.00	
	(d) Other Current Assets	12	2587355.00		2588755.00	
	Total			12006464.73		12022589.26

Contingent Liabilities and Commitments

The Notes referred to above form an integral part of the Balance Sheet.

As Per Our report of even date

For and On Behalf of the Board of Directors

For **BHANGARIA & Co.**

Chartered Accountants

FRN : 129105W

Nikunj Govind Bhangaria

Proprietor

Director

Director

MRN : 121369

Address : S/17, Lokmanya Shopping Centre, Bhayandar (W) - 401101

Place: Mumbai

Date: 21/08/2012

The Central Provinces Railways Co. Ltd.

Basement Commercial Union House,
9, Wallace Street, Fort, Mumbai-400 001

Statement of Profit and Loss for the year ended 31-Mar-2012

In (Rupees)

Particulars	Note No.	1-Apr-2011 to 31-Mar-2012	1-Apr-2010 to 31-Mar-2011
I Revenue from Operations			
II Other Income			
III TOTAL REVENUE (I + II)			
IV EXPENSES			
Other Expenses	13	142182.10	173695.20
TOTAL EXPENSES		142182.10	173695.20
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		-142182.100	-173695.200
VI Exceptional Items	14	8346.00	
VII Profit before Extraordinary Items and Tax		-133836.100	-173695.200
VIII Extraordinary Items			
IX Profit Before Tax		-133836.100	-173695.200
X Tax Expense			
Current Tax			
Deferred Tax			
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		-133836.100	-173695.200
XII Profit/(Loss) from Discontinuing Operations			
XIII Tax Expense of Discontinuing Operations			
XIV Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)			
XV Profit(Loss) for the Period (XI+XIV)		-133836.100	-173695.200
XVI Earnings per Equity Share			
-Basic			
-Diluted			

Additional Information

The Notes referred to above form an integral part of the Balance Sheet.

As Per Our report of even date

For **BHANGARIA & Co.**

Chartered Accountants

FRN : 129105W

Nikunj Govind Bhangaria

Proprietor

MRN : 121369

Address : S/17, Lokmanya Shopping Centre, Bhayandar (W) - 401101

Place: Mumbai

Date: 21/8/2012

For and On Behalf of the Board of Directors

Director

Director

The Central Provinces Railways Co. Ltd.

Notes to and forming part of Balance Sheet as at 31-Mar-2012

Note No : 2 - 1

Share Capital

In (Rupees)

Particulars	as at 31-Mar-2012		as at 31-Mar-2011	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity Shares of Rs 10.00 each	2000000	20000000.00		
Total	2000000	20000000.00		
Issued Share Capital				
Equity Shares of Rs 10.00 each	940000	9400000.00		
Total	940000	9400000.00		
Subscribed and fully paid				
Equity Shares of Rs 10.00 each	940000	9400000.00		
Total	940000	9400000.00		
Grand Total	940000	9400000.00		

Note No: 2 - 2

Reconciliation of share capital

Particulars	as at 31-Mar-2012		as at 31-Mar-2011	
	Number	Amount	Number	Amount
Equity Shares (Face Value Rs 10.00)				
Shares outstanding at the beginning of the year	940000	9400000.00		
Shares Issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	940000	9400000.00		

Note No: 2 - 3

Shareholders holding more than 5% of Share

Particulars	as at 31-Mar-2012		as at 31-Mar-2011	
	Number	% of Holding	Number	% of Holding
Life Insurance Corporation of India Ltd.	140,699	14.97		
S. G. Glass Works P. Ltd.	54,310	5.78		
	195,009	20.75		

The Central Provinces Railways Co. Ltd.

Notes to and forming part of Balance Sheet as at 31-Mar-2012

Note No - 3

Reserves and Surplus

In (Rupees)

Particulars	as at 31-Mar-2012	as at 31-Mar-2011
Other Reserves	1763996	1763996
Opening balance	1763996	1937691
(-) Written back in current year	133836	173695
Closing balance	1630160	1763996
Surplus	-133836	
(+) Net profit/(Net loss) for the Current Year	-133836	-173695
(+) Transfer from reserves	133836	173695
Closing balance	0	
Grand Total	1630160	1763996

Note No - 4

Short-Term Borrowings

In (Rupees)

Particulars	as at 31-Mar-2012	as at 31-Mar-2011
Unsecured	827,142	552,210
Other loans and advances	827,142	552,210
<i>Killick Nixion Limited</i>	817,142	542,210
<i>Killick Shipping Services Ltd.</i>	10,000	10,000
Grand Total	827,142	552,210

Note No - 5

Trade Payables

In (Rupees)

Particulars	as at 31-Mar-2012	as at 31-Mar-2011
Others	52472	187329
Grand Total	52472	187329

Note No - 6

In □ (Rupees)

Particulars	as at 31-Mar-2012	as at 31-Mar-2011
Unpaid Dividends	0	96690
Grand Total	0	96690

Note No - 8 - 1

Long-Term Loans and Advances

In (Rupees)

Particulars	as at 31-Mar-2012	as at 31-Mar-2011
Other loans and advances	118252	118252
Unsecured, considered good	118252	118252
Grand Total	118252	118252

Note No - 10 - 1

Cash and Cash Equivalents

In (Rupees)

Particulars	as at 31-Mar-2012	as at 31-Mar-2011
Balances with banks	59035	156413
Cash on hand	8073	22110
Grand Total	67108	178523

The Central Provinces Railways Co. Ltd.

Notes to and forming part of Balance Sheet as at 31-Mar-2012

Note No 7 - 1

Fixed Assets Schedule

In (Rupees)

Particulars	Gross Block					Depreciation and Amortization					Net Block			
	Opening Balance	Additions	Deductions / Retirement	Acquired through Business Combination	Other Adjustments	Closing Balance	Opening Balance	Depreciation charge	Revaluation Adjustments	On Disposals / Reversals	Impairment Loss	Closing Balance	Opening Balance	Closing Balance
Tangible Assets	5158370.00					5158370.00							5158370.00	5158370.00
Buildings	808906.00					808906.00							808906.00	808906.00
Freehold Buildings	808906.00					808906.00							808906.00	808906.00
Plant and Equipment	91614.00					91614.00							91614.00	91614.00
Freehold Plant and Equipment	91614.00					91614.00							91614.00	91614.00
Others	4257850.00					4257850.00							4257850.00	4257850.00
Free hold other assets	4257850.00					4257850.00							4257850.00	4257850.00
Total	51,58,370.00					51,58,370.00							51,58,370.00	51,58,370.00
Capital Work-in-Progress	1961482.00					1961482.00							1961482.00	1961482.00
Total	19,61,482.00					19,61,482.00							19,61,482.00	19,61,482.00
Grand Total	71,19,852.00					71,19,852.00							71,19,852.00	71,19,852.00

The Central Provinces Railways Co. Ltd.

Notes to and forming part of Balance Sheet as at 31-Mar-2012

Note No - 9

Current Investments

In (Rupees)

Particulars	Balance 2011-12	Name of the Body 2010-11	Stated at Cost Yes / No	then specify Basis of Valuation
Investments in Equity Instruments				
Investment in Preference Shares				
Investments in Government or Trust Securities				
Investments in Debentures or Bonds	17207.00	17207.00		
US 64 Bonds 6.75% Tax Free Bonds	17207.00	17207.00	No	Interest included
Investments in Mutual Funds				
Investments in Partnership Firms				
Other current investments				
Less: Provision for diminution in the value of Investments				
Total	17207.00	17207.00		

Note No - 11

Short-Term Loans and Advances

In (Rupees)

Particulars	as at 31-Mar-2012	as at 31-Mar-2011
Loans and Advances to Related Parties	2000000.00	2000000.00
Unsecured, considered good	2000000.00	2000000.00
Grand Total	2000000.00	2000000.00

Note No - 12

Other Current Assets

In (Rupees)

Particulars	as at 31-Mar-2012	as at 31-Mar-2011
Formation	1025280.00	1025280.00
General Charges	548401.00	548401.00
Interest Accrued & Not Due on Investment	2572.00	2572.00
Interest Accrued & Due on Investment	3628.00	3628.00
Interest to Share Holders	423271.00	423271.00
Preliminary Expenses	584203.00	584203.00
Prepaid Expenses		1400.00
Grand Total	2587355.00	2588755.00

Note No - 13

Other Expenses

In (Rupees)

Particulars	1-Apr-2011 to 31-Mar-2012	1-Apr-2010 to 31-Mar-2011
Payment to Auditors		
As Auditor	30000.00	30472.00
Rent		12000.00
Miscellaneous expenses	112182.10	77223.00
Grand Total	142182.10	119695.00

Note No - 14

Exceptional items

In (Rupees)

Particulars	as at 31-Mar-2012	as at 31-Mar-2011
Provision for F.B.T. 07-08 Withdrawn	8346.00	-
Grand Total	8346.00	-

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012**31st Mar, 2012**

31st Mar, 2011

A CASH FLOWS FROM OPERATING ACTIVITIES

Net Profit before tax		(133,836)	(173,695)
Adjustments for			
Investment Income		-	-
Profit on Sale of Investment		-	-
Operating Profit before working capital Changes		(133,836)	(173,695)
Changes in			
Trade Receivables		1,400	-
Loans and Advances		-	-
Current liabilities and Provisions		(253,911)	173,188
Cash Generated from Operations		(386,347)	(507)
Net Cash Flows from Operating Activities	(A)	(386,347)	(507)

B CASH FLOW FROM INVESTING ACTIVITIES

(B)

	-	-
--	---	---

C CASH FLOW FROM FINANCING ACTIVITIES

Short Term Borrowings (Net)		274,932	-
Net Cash Flows from Financing Activities	(C)	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(111,415)	(507)
Cash and cash equivalents as at the beginning of the year		178,523	179,030
Cash and cash equivalents as at the end of the year		67,108	178,523

The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard-3 on Cash Flow statement issued by the Institute of chartered accountants of India.

As Per Our report of even date

For **BHANGARIA & Co.**

For and On Behalf of the Board of Directors

Chartered Accountants

FRN : 129105W

Nikunj Govind Bhangaria

Proprietor

MRN : 121369

Director

Director

Address : S/17, Lokmanya Shopping Centre, Bhayandar (W) - 401101

Place: Mumbai

Date: 21/08/2012

The Central Provinces Railways Company Limited

Note 1 Accounting Policies And Notes On Accounts

Significant Accounting Policies & Notes to accounts

A) Business

The Central Provinces Railways Company Limited is public limited listed company. Company is in the business of transportation through railways.

B) Significant Accounting Policies

1 Income

a) Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirement of the Companies Act, 1956.

b) Income from Railway represents the net earnings received from Central Railway in terms of the Contracts for the Construction and Working of the Ellichipur Murtaapur Yeotamal Railway and Pulgaon-Arvi Railway.

c) Income from Railways shown in the accounts is Rs. NIL (Rs. NIL).Rs.25,17,886.04/- (Rs.33,82,352/-) as certified by the management, being the Company's share of income for the period 01.04.2011 to 31.03.2012 has been adjusted by the Central Railway against expenditure claimed to have been incurred by them for and on account of the company. Liability for any part of the said expenditure has been disowned by the company. However, the Company has thought it prudent not to account for the aforesaid amount of Rs.25,17,886.04 (Rs.33,82,352/-) adjusted in the aforesaid manner by Central Railway. In the past also company has followed this policy of recognition of revenue and there is no change in the policy on this account.

2 Investments

Investments are long term in the nature and stated at cost. Interest is accounted on accrual basis. However the current status of the investments is not available with the management.

3 Fixed Assets

Fixed assets are stated at historical cost of acquisition less depreciation.

4 Depreciation

Under the terms of the agreement with the Government, the working agency namely Central Railway, is responsible for maintaining and renewing the railway. The assets shown as fixed capital expenditure on railway construction account in Schedule '3' annexed are in the physical possession of the Central Railway. In view of the legal opinion obtained in the past that the extent of depreciation under Section 205 and 350 of the Companies Act, 1956 in respect of these assets is nil, the Company has, consistent with the past practice not provided for any depreciation on these assets. However, the Central Railway have in their letter addressed to the Company raised various legal issues such as liability of the Company for certain expenditure incurred by them, provision for depreciation in respect of the assets in their possession etc. The Company is seeking legal opinion in the matter. The issues when resolved may have impact on various items disclosed in the accounts.

5 Current Assets & Current Liabilities

In the case of current assets and current liabilities expressed in foreign currency the exchange rate prevalent at the end of the year is taken for the purpose of translation. Exchange differences arising on the foreign currency transactions are recognised as income or expenses in the year in which they arise.

6 Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

7 Privilege Leave Encashment

Employees are entitled to accumulate their privilege leave within specified limit and can claim encashment thereof while in service or on separation or superannuation or otherwise. This is not treated as a specific retiral benefit and the cost thereof is accounted for, in the year of its payment.

8 Taxes on Income

a) Provision for is made on the basis of the estimated taxable income as per the provisions of the Income Tax Act, 1961 and the relevant Finance Act, after taking into consideration judicial pronouncements and opinions of the Company's tax advisors.

b) Deferred tax is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The Central Provinces Railways Company Limited

9 Impairment of Assets

Where carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value is use determined by the present value of estimated future cash flow.

10 The Company does not owe any sum to Small Scale Industrial Undertakings.

11 Contingent Liabilities

Claims against the Company by Central Railway for Capital Expenditure claimed to have been incurred by them on behalf of the company Rs.2,05,00,474/= (Rs.2,30,18,360/=) - Net of Rs. 1,86,16,135/=(Rs-1,60,98,249/=)being the Company's share of income for the period 1.10.2002 to 31.3.2012 adjusted by them and not treated by the Company as income.

12 As per the terms of agreement between the Company and the then Secretary of State for, the Construction and Working of Ellichipur Murtajapur Yeotamal Railway and Pulgaon-Arvi Railway the said Secretary of State (now the Railway Board) has a right to terminate the contract by purchasing the assets of the Company at a price which shall not be less then the total capital cost incurred by the Company. In view of the said contract, no provision for depreciation or impairment of asset is deemed necessary.

13 The Company had granted in earlier year an unsecured interest bearing loan to M/s. Killick Nixon Limited amounting to Rs. 20,00,000/- . Interest on the said loan is not being received, accordingly no provision has been made for interest on the said intercorporate loan w.e.f. 1st April, 2005 in terms of resolution passed by the Board of Directors on 21st January, 2006.

14 Reimbursement of administrative expenses of Rs.1,12,182/- (Previous Year Rs. 54,000/-) represents the amount reimbursed to Killick Nixon Limited from 01.04.2011 to 31.03.2012 towards the cost of services of their staff for carrying out the Company's day to day work.

15 Earnings Per Share (AS-20)

Particulars

Profit after Tax	(142,181)	(173,695)
Numerator used for calculating basic and diluted earnings per share-		
Weighted average number of shares used as denominator for calculating		
basic and diluted earnings per share		
Number of Equity shares outstanding on the first day of the year	940,000	940,000
Weighted Average Number of equity shares outstanding	940,000	940,000
Nominal Value of shares		
Basic and Diluted Earnings per share	(0.15)	(0.18)

16 Related Party Disclosure

Related Party Disclosure under AS-18 issued by the Institute of Chartered Accounts of India

The Management has informed that all the transactions entered during the previous year with various parties do not fall within the purview of the Accounting standard 18 "Related Party Transaction" issued by the Institute of Chartered Accountants of India.

17 The company has only one revenue segment.

18 Statutory information

a Managerial remuneration

Nil

Nil

b Remuneration to Auditors

c Expenditure in Foreign Currency

d Earnings in Foreign Currency

e Notes to Accounts

No provision for Contingent Liabilities, if any has been made in these accounts.

Figures have been rounded off to the nearest rupee.

Loans & Advances and Debtors are subject to confirmations.

Previous years figures have been regrouped & rearranged wherever necessary.

Company is in the process of identification of unclaimed dividend and as such amount wherever required is not transferred to Investor Education and Protection Fund.

As Per my report of even date

For and on Behalf of the Board

For Bhangaria & Co.

The Central Provinces Railways Company Limited

Chartered Accountants

Nikunj G. Bhangaria

Proprietor

Director

Director

M.No. 121369

Place Mumbai

Date 21/8/2012

THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED
REGISTERED OFFICE: Basement, Commercial Union House, No.9, Wallace Street, Fort,
Mumbai-400072.

ATTENDANCE SLIP

(To be handed over at the entrance of Meeting Hall)

Members attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the Annual general Meeting of the above named Company being held at Conference Hall, KEL House, Plot No.7, Opp. Oberoi Garden Estates, Chandivali Farm Road, Chandivali, Andheri (E), Mumbai - 400 072. on Monday, the 27th September, 2012 at 9-30 a.m.

Folio No. ----- Name of the Member-----

No. of Shares----- Signature of Member/Proxy-----

-----Tear here-----

THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED
REGISTERED OFFICE: Basement, Commercial Union House, No.9, Wallace Street, Fort,
Mumbai-400072.

Folio No.----- No. of Shares-----

FORM OF PROXY

I/We-----of-----
Being a member/ members of THE CENTRAL PROVINCES RAILWAYS COMPANY,
LIMITED hereby appoint

----- of ----- or failing him

----- of ----- or failing him

----- of ----- as my/ our

proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Monday, the 27th September, 2012 at 9-30 a.m.

signed this 21st day of August, 2012

Signature-----

NOTE: The Form duly completed and signed should be deposited at the Registered Office of the Company Not Later Than 48 hours before the time of the meeting.

BOOK-POST

To,

If undelivered please return to
THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED
(Share Department)
Basement, Commercial Union House,
No.9, Wallace Street, Fort,
Mumbai - 400 001